



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

October 14, 2008

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OCT 14 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**APPROVAL OF AND AUTHORIZATION TO IMPLEMENT THE KATIE A. STRATEGIC
PLAN CONSOLIDATING THE EFFORTS OF THE ENHANCED SPECIALIZED
FOSTER CARE MENTAL HEALTH SERVICES PLAN AND THE CORRECTIVE
ACTION PLAN
(ALL AFFECTED) (4 - VOTES)**

SUBJECT

Request approval of and authorization to implement the Katie A. Strategic Plan, which contains improvements to the Board-approved Enhanced Specialized Foster Care Mental Health Services Plan (County Plan) and the Katie A. Corrective Action Plan (CAP), based on evaluation of the County Plan and CAP programs and continued discussion with the Katie A. Advisory Panel (Panel), to fulfill the Katie A. class action Settlement Agreement. This Plan will serve as a programmatic blue print for the full implementation of the Settlement Agreement.

**JOINT RECOMMENDATION WITH THE DIRECTORS OF THE DEPARTMENTS OF
CHILDREN AND FAMILY SERVICES (DCFS) AND MENTAL HEALTH (DMH) THAT
YOUR BOARD:**

1. Approve the conceptual framework of the Katie A. five-year Strategic Plan, which incorporates improvements to the mental health programs and services in both the County Plan and CAP, as described in Attachment I, by providing a single comprehensive vision for the current and planned delivery of mental health services, including systematic screening, assessment, and provision of individualized mental health services, for children in foster care or at imminent risk of entering foster care placement.

2. Approve the attached Request for Appropriation Adjustment (Attachment II) that transfers \$7.1 million from Provisional Financial Uses (PFU) – Fiscal Year (FY) 2007-08 Katie A Savings and \$0.6 million from PFU – Title IV-E Reinvestment funds to DCFS to implement the FY 2008-09 portion of the Katie A. Strategic Plan. This Appropriation Adjustment also realigns DMH's budget to reflect anticipated revenue associated with the Strategic Plan.
3. Authorize the Director of DCFS to fill 61 positions, as shown in Attachment III, in excess of what is provided for in DCFS' staffing ordinance pursuant to Section 6.06.020 of the County Code, subject to allocation by the Chief Executive Office (CEO).
4. Authorize the Director of DMH to fill three positions (one Mental Health Clinical Program Head, one Supervising Psychiatric Social Worker, and one Mental Health Analyst I), in excess of what is provided for in DMH's staffing ordinance pursuant to Section 6.06.020 of the County Code, subject to allocation by the CEO.
5. Delegate authority to the Director of DMH or his designee to prepare, sign, and execute contracts/amendments with DMH contractors selected to provide mental health services as proposed in the Strategic Plan, contingent on availability of funding.
6. Delegate authority to the Director of DCFS or her designee to prepare, sign, and execute contracts with training contractors selected to provide technical assistance or training curriculum services as proposed in the Strategic Plan, contingent on availability of funding.
7. Direct the CEO to develop and pursue, upon advisement of the Board, legislative, regulatory, and/or administrative proposals seeking greater flexibility from the State to maximize revenue reimbursement to the County, particularly in drawing down Medi-Cal Early and Periodic Screening, Diagnosis and Treatment (EPSDT) funds.
8. Direct DCFS and DMH to conduct joint Learning Organization Groups (LOGs) with regional management, program staff, and community partners on any implementation revisions to the rollout of the Strategic Plan, which uses a phased-in approach to reach full-service capacity over the next five years, and to report back quarterly beginning in March 2009 on Strategic Plan implementation efforts.

9. Direct DCFS, DMH, and the CEO to conduct an annual assessment of the effectiveness of the Strategic Plan, financing of the Strategic Plan, and status of County efforts to maximize revenue reimbursement. The first annual assessment would be submitted in January 2010, and would be substituted for the December 2009 Quarterly Report.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

When requesting your Board's approval of the CAP and its financing requirements on August 21, 2007, it was noted that DCFS and DMH were proposing a phased-in approach to implementing the mental health services and achieving the tasks contained in the CAP. Implementation was contingent on evaluation of Phase I, which was limited to Service Planning Areas (SPAs) 1, 6, and 7 under the County Plan and the CAP, as well as efforts to address issues identified by both the Katie A. Panel and the Health Management Associates (HMA) evaluation report. HMA is an organization contracted by the County to evaluate the implementation of Phase I of the County Plan to identify areas of strengths and weaknesses to inform Countywide (Phase II) implementation.

The Strategic Plan (Attachment I) has been developed as a result of the careful evaluation of those efforts, lessons learned, and enhanced CEO oversight. Included in the Strategic Plan are recommendations which will implement changes to staffing and services previously approved for funding by your Board in the FY 2008-09 Adopted Budget for Phase I of the CAP, and earlier in the County Plan, as well as new services which will require additional resources. While we provided an estimate in our August 2007 report of potential Phase II costs, financing was not provided in the FY 2008-09 Adopted Budget, pending further information regarding the timing of Phase II implementation and potential revisions to the mental health services to be provided.

Approval of the Strategic Plan will enable DCFS and DMH to proceed with implementation of a system, which will provide coordinated and integrated mental health services to address the multi-faceted needs of children currently placed in foster care, as well as for those at risk of entering child welfare.

Program Elements of the Katie A. Settlement Plans

Enhanced Specialized Foster Care Mental Health Services Plan (County Plan)

The County Plan, approved by your Board on October 11, 2005, funded with \$19 million in revenue offset, called for a number of systemic improvements to better meet the mental health needs of the plaintiff class. These improvements included expansion of the Medical Hubs, standardized mental health screenings for children entering foster

care, the creation of a Child Welfare Division within DMH, the co-location of mental health staff in DCFS offices, and increases in the County's capacity to provide intensive, in-home mental health services.

The County Plan was intended to be implemented in two phases: Phase I covered SPAs 1, 6, and 7; and Phase II covered the remainder of the County. Phase I was launched, and Phase II was being planned to incorporate lessons learned from Phase I implementation. In November 2006, the Court ordered the County to make a number of modifications to the County Plan. Senior executive staff at DCFS and DMH worked to modify the County Plan in accordance with the Court's order and produced the CAP, which your Board approved in August 2007.

The Katie A. Corrective Action Plan (CAP)

The CAP modifications added system refinements for the screening and provision of mental health services to class members, greater expansion of intensive, in-home mental health services, including Wraparound and Treatment Foster Care (TFC) services, transitioned children out of congregate care settings more quickly by utilizing intensive home-based mental health service models, and developed data systems to track and monitor child outcomes. The CAP was funded with \$49.3 million in Federal and State revenue and \$35.7 million in Net County Cost (NCC), for a total cost of \$85 million.

During FY 2007-08, for the three SPAs combined (1, 6, and 7), co-located mental health staff reported a total of 3,163 mental health consultations, 4,082 mental health referrals, 1,762 mental health assessments, and 990 service linkages to providers. A combination of these two plans, in concert with feedback obtained from the Panel and the implementation evaluation conducted by HMA, have informed and resulted in the development of the comprehensive Strategic Plan that is described in Attachment I.

The Katie A. Strategic Plan

The primary provisions of the Strategic Plan consist of: 1) the systematic screening and assessment of children entering foster care (both detained and non-detained cases), as well as existing open cases; 2) the Coordinated Services Action Team (CSAT) which provides the needed clinical care management structure to assist Children's Social Workers (CSWs) to identify and expeditiously link children and families to mental health services; 3) an intensive mental health service delivery model that utilizes a Child and Family Team (CFT) approach to treat children and families; 4) a Core Practice Training Model that is focused on effective teaming and engagement practices for DCFS and DMH staff, as well as mental health service providers; and 5) data tracking and exit

criteria that objectively document the County's compliance with the Katie A. Settlement Agreement.

Joint DCFS and DMH LOGs are planned with regional management, program staff, and community partners toward the end of 2008 to discuss the key Strategic Plan components and to fully consider all implementation obstacles that will need to be addressed before Countywide rollout of the Strategic Plan. Based on what is learned from the LOGs, an updated implementation timeline of mental health screening and assessment and service delivery tasks/milestones will be submitted to your Board in March 2009, along with the request for the Proposed FY 2009-10 funding.

The CSAT was developed to ensure the consistent, effective, and timely screening and assessment of mental health needs across all populations of children served by DCFS by providing centralized expertise and service navigation assistance to CSWs, who have lead responsibility for managing their cases. Moreover, the CSAT will coordinate staff who currently link children to services within and across offices, as well as systematically review capacity, access and utilization to current and future services. The CSAT will be piloted in SPAs 1, 6, and 7 (Phase I) before being rolled out in a phased Countywide approach (Phase II).

- The mental health service delivery portion of the Strategic Plan will implement a Wraparound model of care utilizing a CFT to plan and provide individualized, intensive home-based mental health services. The Strategic Plan proposes a three-tiered Wraparound/CFT model, anchored in the philosophy of a "Whatever it Takes" approach to service planning and delivery.

Tier 1 of the model incorporates Wraparound services already provided in the County Plan and CAP and represents the most intensive service level. Tier 2 is an expansion of the current Wraparound criteria for children with less acute mental health needs. Both Tier 1 and Tier 2 will be part of the upcoming Wraparound contract, and Tier 2 will be exclusively dedicated to DCFS youth in contrast to Tier 1 which currently serves both DCFS and Probation youth. Tier 3 is the lowest acuity service level within the three-tiered model and incorporates Mental Health Services Act (MHSA) Full Service Partnership (FSP) contracted slots, supplemented with additional flexible funds, to further augment capacity for intensive, home-based mental health services.

The initial placement in one of the Wraparound/CFT Tiers is dependent on the needs of the child, who may move from one tier to another based on their changing needs. However, unlike traditional services, where the team working with the child changes as the child moves from a more intense to a less intense form of service or vice-versa, this team stays with the child whether the child's needs stabilize and service intensity is reduced or the needs escalate and greater service intensity is required. This newly

created Wraparound/CFT service capacity is planned to be rolled out over a five-year period Countywide.

The training portion of the Strategic Plan recognized the need for systemic improvements to better meet the mental health needs of children and families. The Core Practice Training Model (Model) is being utilized to achieve this objective since it builds upon the three Adoption and Safe Families Act (ASFA) outcomes of safety, permanence, and child and family well-being. The Model emphasizes effective engagement and teaming practices for DCFS and DMH staff to develop individualized service plans for children and families, track the effectiveness of those plans, and adapt plans based on results. The training model also aligns with data and exit conditions which are focused on the development of a meaningful Strategic Plan, documented progress on a set of data indicators, and a passing score on a Qualitative Service Review (QSR). The QSR combines child status and system performance data measures to document overall compliance with the Katie A. Settlement Agreement.

The combination of these key elements of the Strategic Plan: 1) CSAT; 2) Wraparound/CFT; 3) Core Practice Training Model; and 4) objective data tracking and exit criteria comprise the substantive improvements documented in the Strategic Plan. These modifications, which include both a phased rollout for the CSAT and full-scale Countywide implementation for the three-tiered Wraparound/CFT model, along with the ancillary investments in training and data and exit conditions are now being presented to your Board for review and approval.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan: Organizational Goal No. 1, "Service Excellence" – Provide the public with easy access to quality information and services that are both beneficial and responsive; Goal No. 3, "Organizational Effectiveness" – Ensure that service delivery systems are efficient, effective, and goal-oriented; Programmatic Goal No. 5, "Children and Families' Well-Being" – Improve the well-being of children and families in the County of Los Angeles; and Goal No. 7, "Health and Mental Health" – Implement a client-centered, information-based health and mental health services delivery system that provides cost-effective and quality services across County departments.

FISCAL IMPACT/FINANCING

Strategic Plan costs for FY 2008-09 are projected at \$18 million funded with \$6 million in EPSDT State and Federal revenue, \$0.9 million in Title IV-E training revenue, \$3.4 million in MHSA, \$0.6 million in Title IV-E Reinvestment funds and \$7.1 million in NCC derived from the FY 2007-08 fund balance referenced in Recommendation No. 2.

These FY 2008-09 costs reflect partial year funding for an additional three (3) full-time equivalent (FTE) positions for DMH and 61 for DCFS, as well as services and supplies costs, for implementation of the CSAT and Wraparound/CFT models. While \$2.2 million of the \$3.2 million NCC increase shown for DCFS in FY 2008-09 corresponds to the additional DCFS positions, the \$3.9 million NCC increase in the DMH calculations is primarily the result of revised EPSDT revenue projections from DMH reflective of CAP and Strategic Plan services.

In addition to the three new positions, DMH has proposed to use and reconfigure 58 existing positions from both the County Plan, CAP, and the DMH Inter-agency Consultation and Assessment Teams (ICAT) and Inter-agency Delinquency Prevention Programs (IDPP) in FY 2008-09 for mental health screening and assessment and service delivery functions. This reconfiguration will make these positions more effective and less reliant on EPSDT funding/service provision restrictions, which limit the ability of these co-located mental health staff from participating in Team Decision Making meetings (TDMs) and other essential DCFS case plan functions.

The departments of CEO, DCFS, and DMH after reviewing available resources to offset the FY 2008-09 costs recommend using the \$7.1 million in one-time NCC fund balance provided in the CAP from FY 2007-08 as carryover for FY 2008-09, subject to approval by your Board. The use of one-time funds for ongoing Strategic Plan costs could be offset to some extent by the potential reduction in NCC needed for Wraparound/CFT services, pending action from the Court in the State portion of the Katie A. litigation regarding Wraparound and TFC services.

The projected full year cost for FY 2009-10 is \$45.1 million, including an additional 20 FTE positions for DCFS and 39 for DMH. These costs would be offset by \$13 million in EPSDT State and Federal revenue, \$1.5 million in Title IV-E training revenue, \$3.4 million in MHSA, \$1.2 in Title IV-E Reinvestment funds, and \$26 million in NCC. Proposed offsets to this and subsequent increases in NCC will be developed by this Office, DCFS, and DMH, and will be incorporated during the proposed FY 2009-10 budgeting cycle along with any revisions to the Strategic Plan implementation timeline. Funding in future years will be included in the Departments' Proposed Budget requests and our multi-year financial forecasts.

As mentioned above, the Strategic Plan services are proposed to be implemented over a five-year period, with full year costs expected in FY 2014-15, when the Strategic Plan services are at full capacity. Costs at that point are projected at \$119.9 million proposed to be funded by \$ 53.1 million in EPSDT State and federal revenue, \$1.5 million Title IV-E training revenue, \$3.4 million in MHSA, and \$61.9 million in NCC (Attachment IV).

It is important to note that these cost projections could change over the years, based on our experience with providing these services, changes in foster care caseloads and the implementation of MHSA-funded Prevention and Early Intervention (PEI) mental health services currently being developed through the DMH stakeholder process. For example, over the last ten years there has been a downward trajectory in child welfare caseloads. In calendar year 1998, 65,569 children received child welfare services as compared to August 2008 in which 34,511 children received services from the Department. The goal of PEI mental health services is to address mental health needs at an early stage, thereby reducing the need later for more intensive and costly mental health services and the potential entry of children and families into the child welfare system.

Further, the Court in the State portion of the class action lawsuit recently compelled the California Department of Social Services to produce documentation that Medi-Cal has guidelines related to eligibility for reimbursement of Wraparound and TFC services. It is possible that the Court may issue orders which clarify how counties may draw down Medi-Cal reimbursement for these programs, and thereby reduce the NCC required. In addition, DMH continues to work with the State to enhance Medi-Cal reimbursement for services under the County Plan, CAP and Strategic Plan.

In addition, DCFS is focused on three targeted goals to continue the reduction in referrals and caseload sizes, which consist of: 1) reducing front-end referral rates and case openings by reviewing a sample of referrals for adherence to Structured Decision Making (SDM) guidelines; 2) increasing permanency practice rates by transitioning more children from guardianships to Kin Gap and through enhanced adoption strategies; and 3) by improving human resource practice and rates, such as expedited filling of vacancies and implementing "Hold Harmless" caseload reduction staffing allocations across offices.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 2002, a class action lawsuit "Katie A." was filed against the State of California and Los Angeles County alleging that children in contact with the County's child welfare system were not receiving mental health and other services to which they were entitled.

In July 2003, the County entered into a Settlement Agreement resolving the County portion of the litigation. Among other things, the Settlement Agreement established an Advisory Panel to assist the County in developing plans for meeting the obligations of this Agreement and report to the Federal District Court on the County's progress in doing so. On August 16, 2005, the Advisory Panel issued its Fifth Report concluding

that the County had not developed a sufficient plan to meet the needs of the plaintiff class, and was therefore, not meeting the obligations of the Settlement Agreement.

In response to this finding, the County developed the 2005 County Plan and the 2007 CAP, and now has developed the targeted enhancements and coordinated vision of the Strategic Plan in consultation with the Panel (Attachments V and VI). The Strategic Plan, along with the Accountability Oversight provision, has been developed to fulfill the terms of the Settlement Agreement and provide a viable exit from Court jurisdiction (Attachment VII).

CONTRACTING PROCESS

Two of the requested actions are to delegate authority to the Directors of DCFS and DMH to develop contracts or augment the amount of funding in existing contracts for specialized mental health services or training, as proposed by the Strategic Plan, to serve children under the care of DCFS. DMH will identify and select, in accordance with County directives and guidelines, contracted mental health providers to which EPSDT funds will be allocated to expand mental health services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

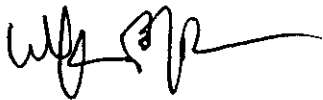
The Strategic Plan includes enhanced mental health services for DCFS-involved children and youth and those at-risk of entering the County's child welfare system. In addition, it provides a detailed road map for the implementation/delivery of intensive mental health services Countywide and provides additional structure and accountability for systematically screening, assessing, and referring children to the most appropriate individualized, home-based mental health services dependent on their needs.

Honorable Board of Supervisors
October 14, 2008
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CONCLUSION

The Departments of DCFS and DMH will each need one copy of the adopted Board action(s). It is requested that the Executive Officer, Board of Supervisors, notifies the DMH Contracts Development and Administration Division at (213) 738-4684, and the DCFS Director's Office at (213) 351-5600 when these documents are available.

Respectfully Submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:MS:SS
KH:LB:hn

Attachments (6)

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Director of Children and Family Services
Director of Mental Health

PINK

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BOARD OF
SUPERVISORS
OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.

No. 060

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

OCTOBER 14 2008

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2008-09 ✓
4 - VOTES ✓

SOURCESUSES

SEE ATTACHED

SEE ATTACHED

SUMMARY TOTAL: \$12,613,000

SUMMARY TOTAL: \$12,613,000

JUSTIFICATION

Reflects an increase in revenue and appropriation to implement the Katie A. Strategic Plan in FY 2008-09.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17

OCT 14 2008

Sachi A. Hamai
SACHI A. HAMAI

EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER'S REPORT

[Signature]
MIGUEL SANTANA, Deputy CEO

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR —

ACTION

APPROVED AS REQUESTED ✓

AS REVISED

RECOMMENDATION

10/2 2008

CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER

BY

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

20

NO.

041

October 2 2008

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

FISCAL YEAR 2008-09

SOURCES

✓ PROVISIONAL FINANCING USES - DCFS Katie A
Services and Supplies
A01-CB-2000-13749-13759
\$7,099,000

✓ PROVISIONAL FINANCING USES - DCFS Title IV-E
Services and Supplies
A01-CB-2000-13749-13759
\$590,000

✓ CHILDREN AND FAMILY SERVICES
✓ Federal Public Assistance - Admin
A01-CH-26200-88-8891
\$983,000 90

✓ MENTAL HEALTH
Intrafund Transfer
A01-MH-20500-6800
\$3,941,000

✓ \$12,613,000

USES

✓ CHILDREN AND FAMILY SERVICES
Salaries and Employee Benefits
A01-CH-26200-1000
\$2,653,000

✓ CHILDREN AND FAMILY SERVICES
Services and Supplies
A01-CH-26200-2000
\$5,388,000

CHILDREN AND FAMILY SERVICES - Foster Care Prog
Services and Supplies
A01-CH-26440-26445-2000
\$11,000

CHILDREN AND FAMILY SERVICES - Foster Care Prog.
Other Charges
A01-CH-26440-26445-5500
\$620,000

✓ MENTAL HEALTH
✓ Other State Aid - Health
A01-MH-20500-88-8771
\$1,594,000

✓ MENTAL HEALTH
✓ State Realignment Revenue
A01-MH-20600-88-8899
\$182,000

✓ MENTAL HEALTH
✓ Federal Aid - Mental Health - Medi-Cal
A01-MH-20500-90-9025
\$2,165,000

✓ \$12,613,000

BA#041 Karen Shikuma 10/2/08